



Media Release

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Growcom's comments and conduct need to be questioned

A call by Growcom for the establishment of real-time price information for fruit and vegetables traded in the wholesale markets is commercially naïve and mischievous, according to Fresh Markets Australia.

FMA Executive Director Andrew Young said Growcom, which has called for "real-time pricing" in its submission to the review of the Horticulture Code of Conduct, displayed a fundamental lack of understanding of how central markets operate and how growers and traders conduct business.

Mr Young said Fresh Markets Australia represented more than 400 wholesalers across Australia who, together, on-sold produce from more than 90% of Australia's commercial fruit and vegetable growing establishments.

"Our wholesaler members undertake about 12 million transactions every year with growers, so they have a pretty good understanding of the industry," Mr Young said.

"Growcom clearly does not.

"For it to describe horticulture produce selling as 'a bit like stocks and shares' is ludicrous. We don't have speculative day traders buying and selling stocks for a financial benefit – we have a straight forward process where growers sell produce via traders and onto retailers or the food industry.

"Growcom demonstrates a concerning lack of understanding of a market system that has operated for decades."

Mr Young said FMA questioned the bona fides of Growcom, which appeared to be pushing a political agenda around the Horticulture Code review and not truly representing the views of growers.

"To help bolster its arguments in its submission to the Code review, Growcom extensively references a so-called survey, yet this was an online 'survey' which any person could complete, as many times as they liked, and with no quality control whatsoever," Mr Young said.

"While there are thousands of fruit and vegetable growers in Queensland, only 137 surveys were submitted, yet Growcom relies on this questionable process to support unreasonable positions in its Code submission."

Mr Young said growers, wholesalers and retailers across Australia were well serviced with sales price data via the privately-owned Market Information Services (MIS) and its associated Ausmarket Consultants.

"MIS reporters are independent of any markets, they collate sales price data and have it available across Australia before noon every day – the problem is not the accuracy or speed of information, it is that growers and grower organisations like Growcom don't want to pay for the service.

"To be calling for utopian-like real-time price data demonstrates how out of touch Growcom is from commercial reality – and this is creating unnecessary and unrealistic expectations for growers."

Mr Young said FMA also questioned the effectiveness and reach of Growcom.

"In its Code submission and public comments, Growcom identifies the lack of understanding of Horticulture Produce Agreements and the Code amongst its members; therefore, FMA has to ask – what has Growcom been doing for the past eight years that the Code has operated?"

"FMA wholesaler members know what growers think about the Code – they tell them regularly.

"Growers, on the whole, don't like the Code and want to work around it whenever and wherever they can, so long as it meets their business needs."

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Mr Young said FMA supported the review of the Horticulture Code of Conduct provided it delivered an outcome that removed the anti-competitive and discriminatory provisions which impacted on wholesalers.

"We have prepared an amended version of the Code of Conduct which we believe will deliver the outcomes that growers and wholesalers are seeking – that is the structured and responsible approach we have taken to the review," Mr Young said.

"Growcom needs to step up and take a sensible, honest approach to the review of the Horticulture Code of Conduct and stop its disruptive activities.

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***For further information, please contact
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****Note:*** *The Horticulture Code was established in 2007 to regulate trade in horticulture produce between growers and traders of fresh fruit and vegetables and to provide an alternative dispute resolution procedure. The Horticulture Code is a prescribed, mandatory industry code under the Competition and Consumer Act 2010. The code came into operation with the aim of improving the clarity and transparency in transactions between horticulture growers and traders and to provide some standard procedures and mandatory requirements in the trading relationship.*